AMENDED IN SENATE AUGUST 21, 2002 AMENDED IN SENATE JUNE 28, 2002

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

ASSEMBLY BILL

No. 1881

Introduced by Assembly Member Pescetti

(Principal coauthor: Senator Murray)

February 4, 2002

An act to amend Section 14684 of the Government Code, as added by Chapter 10 of the Statutes of the 2001–02 Second Extraordinary Session, and to amend Section 1 of Chapter 10 of the Statutes of the 2001–02 Second Extraordinary Session An act to add Section 14684.1 to the Government Code, relating to solar energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1881, as amended, Pescetti. Solar energy systems: solar thermal energy.

Chapter 10 of the Statutes of the 2001–02 Second Extraordinary Session (Chapter 10), which will become operative 91 days following the adjournment of that session, will require, upon the operative date of that chapter, Existing law requires the Department of General Services, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to ensure that solar energy equipment, as defined, for which the primary purpose is using solar energy for electricity generation is installed, no later than January 1, 2007, on all state buildings and state parking facilities where feasible, as defined. Chapter 10 Existing law also will require requires solar energy equipment to be installed where feasible as part of the

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construction of all state buildings and state parking facilities that commences after December 31, 2002.

This bill would modify the definition of feasible to require installation of solar energy equipment if there is adequate space adjacent to a building in addition to on a building.

The bill would require any solar energy equipment installed to meet applicable standards and requirements imposed by state and local permitting authorities, including certification by the Solar Rating Certification Corporation and other applicable safety and performance standards.

The bill would clarify that funding would be required to be available for the installation of energy equipment to be feasible.

Chapter 10 will define cost-effective and requires the department to take into consideration air emission reduction benefits in its present value assessment for cost-effectiveness.

This bill would also require the department to take into consideration the value of stable energy costs for cost-effectiveness.

Chapter 10 will define solar energy equipment as equipment whose primary purpose is to provide for the collection, conversion, storage, or control of solar energy for electricity generation.

This bill would additionally include within the definition of solar energy equipment, equipment whose primary purpose is to provide for the collection, conversion, storage, or control of solar energy for the purpose of heat production.

The bill would establish a program to require the Department of General services in consultation with the Energy Commission to ensure that solar energy equipment for which the primary purpose is using solar energy for heat production be installed where feasible, as defined, no later than January 1, 2007. The bill requires such solar energy equipment be installed where feasible as part of the construction of all state buildings and state parking facilities for which construction commences on or after January 1, 2003.

The bill would require any solar energy equipment installed pursuant to the new program to meet specified standards and requirements imposed by state and local permitting authorities, including certification by the Solar Rating Certification Corporation and other applicable safety and performance standards.

This bill would subject any solar energy equipment that is installed pursuant to the program to the California Solar Rights Act of 1978.

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Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1 of Chapter 10 of the Statutes of the Section 14684.1 is added to the Government 2 SECTION 1. 3 Code, to read:

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- 14684.1 (a) The department, in consultation with the State Energy Resources Conservation and Development Commission, shall ensure that solar energy equipment is installed, no later than January 1, 2007, on all state buildings and state parking facilities, where feasible. The department shall establish a schedule designating when solar energy equipment will be installed on each 10 building and facility, with priority given to buildings and facilities where installation is most feasible, both for state building and facility use and consumption and local publicly owned electric utility use, where feasible.
 - (b) Solar energy equipment shall be installed, where feasible, as part of the construction of all state buildings and state parking facilities for which construction commences on or after January 1, 2003.
 - (c) For purposes of this section, it is feasible to install solar energy equipment if adequate space on or adjacent to a building is available, if the solar energy equipment is cost-effective, and if funding is available.
 - (d) Any solar energy equipment installed pursuant to this section shall meet applicable standards and requirements imposed by state and local permitting authorities, including, but not limited to, all of the following:
 - (1) Certification by the Solar Rating Corporation, which is a nonprofit third party supported by the Department of Energy, or any other nationally recognized certification agency.
- 30 (2) All applicable safety and performance standards established by the National Electrical Code, the Institute of 31 Electrical and Electronics Engineers, and accredited testing 32 laboratories, such as the Underwriters Laboratories. 33
- (3) Where applicable, the regulations adopted by the Public 34 *Utilities Commission regarding safety and reliability.* 35

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 (e) This section does not exempt the state from the payment of any applicable fee or requirement imposed by the Public Utilities Commission.

- (f) The department may adopt regulations for the purposes of this section as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1. For purposes of that chapter, including, but not limited to, Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding the 120-day limit specified in subdivision (e) of Section 11346.1, the regulations shall be repealed 180 days after their effective date, unless the department complies with Chapter 3.5 (commencing with Section 11340.1) of Part 1 as provided in subdivision (e) of Section 11346.1.
- (g) Any solar energy equipment installed pursuant to this section shall be subject to the provisions of the California Solar Rights Act of 1978 (Chapter 1154 of the Statutes of 1978), as amended.
- (h) For purposes of this section, the following terms have the following meanings:
- (1) "Cost-effective" means that the present value of the savings generated over the life of the solar energy system, including consideration of the value of the energy produced during peak and off-peak demand periods and the value of a reliable energy supply not subject to price volatility, shall exceed the present value cost of the solar energy equipment by not less than 10 percent. The present value cost of the solar energy equipment does not include the cost of unrelated building components. The department, in making the present value assessment, shall obtain interest rates, discount rates, and consumer price index figures from the Treasurer, and shall take into consideration air emission reduction benefits and the value of stable energy costs.
- (2) "Local publicly owned electric utility" means a local publicly owned electric utility as defined in subdivision (d) of Section 9604 of the Public Utilities Code.
- (3) "Solar energy equipment" means equipment whose primary purpose is to provide for the collection, conversion, storage, or control of solar energy for the purpose of heat production.

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2001–02 Second Extraordinary Session is amended to read:

Sec. 1. The Legislature finds and declares all of the following:

- (a) California is experiencing severe electrical shortages, which endanger the health, safety, and economic development opportunity of its citizens. California is also experiencing natural gas shortages and price volatility that adversely affect electricity price and availability.
- (b) Immediate measures are needed to increase the electrical generation capacity within California, including energy from solar energy systems, and to reduce the consumption of natural gas for purposes other than the generation of electricity within California.
- (c) California has been a leader in the development of solar energy systems.
- (d) California must take all reasonable actions necessary to encourage the use of solar energy systems at state buildings and facilities.
- SEC. 2. Section 14684 of the Government Code, as added by Chapter 10 of the Statutes of the 2001–02 Second Extraordinary Session, is amended to read:
- 14684. (a) The department, in consultation with the State Energy Resources Conservation and Development Commission, shall ensure that solar energy equipment is installed, no later than January 1, 2007, on all state buildings and state parking facilities, where feasible. The department shall establish a schedule designating when solar energy equipment will be installed on each building and facility, with priority given to buildings and facilities where installation is most feasible, both for state building and facility use and consumption and local publicly owned electric utility use, where feasible.
- (b) Solar energy equipment shall be installed where feasible as part of the construction of all state buildings and state parking facilities that commences after December 31, 2002.
- (e) For purposes of this section, it is feasible to install solar energy equipment if adequate space on or adjacent to a building is available, if the solar energy equipment is cost-effective, and if funding is available.
- (d) Any solar energy equipment installed pursuant to this section shall meet applicable standards and requirements imposed by state and local permitting authorities, including, but not limited to, all of the following:

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 (1) Certification by the Solar Rating Certification Corporation, which is a nonprofit third party supported by the Department of Energy, or any other nationally recognized certification agency.

- (2) All applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories, such as the Underwriters Laboratories.
- (3) Where applicable, the regulations adopted by the Public Utilities Commission regarding safety and reliability.
- (e) No part of this section may be construed to exempt the state from any applicable fee or requirement imposed by the Public Utilities Commission.
- (f) The department may adopt regulations for the purposes of this section as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1. For purposes of Chapter 3.5 (commencing with Section 11340) of Part 1, including, but not limited to, Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding the 120 day limit specified in subdivision (e) of Section 11346.1, the regulations shall be repealed 180 days after their effective date, unless the department complies with Chapter 3.5 (commencing with Section 11340) of Part 1 as provided in subdivision (e) of Section 11346.1.
- (g) For purposes of this section, the following terms have the following meanings:
- (1) "Cost-effective" means that the present value of the savings generated over the life of the solar energy system, including consideration of the value of the energy produced during peak and off-peak demand periods and the value of a reliable energy supply not subject to price volatility, shall exceed the present value cost of the solar energy equipment by not less than 10 percent. The present value cost of the solar energy equipment does not include the cost of unrelated building components. The department, in making the present value assessment, shall obtain interest rates, discount rates, and consumer price index figures from the Treasurer, and shall take into consideration air emission reduction benefits and the value of stable energy costs.

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(2) "Local publicly owned electric utility" means a local publicly owned electric utility as defined in subdivision (d) of Section 9604 of the Public Utilities Code.

- (3) "Solar energy equipment" means equipment whose primary purpose is to provide for the collection, conversion, storage, or control of solar energy for the purpose of heat production or electricity generation.
- 8 SEC. 3. Sections 1 and 2 of this act shall become operative 9 only if Chapter 10 of the Statutes of the 2001-02 Second
- 10 Extraordinary Session becomes operative, in which case Sections
- 11 1 and 2 shall become operative consistent with Section 8 of Article
- 12 IV of the California Constitution.

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